



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO

MMP
PROCLTR 97-36

DEC 18 1997

MEMORANDUM FOR PROCLTR DISTRIBUTION

SUBJECT: Public Vouchers

The attached memorandum from the Under Secretary of Defense (Acquisition & Technology), dated November 14, 1997, expresses concern that we may be inappropriately requiring contractors to submit detailed cost data for processing interim public vouchers for cost reimbursement contracts. Further, that in many cases the detailed data is not used after requiring it, or Contracting Officer Representatives (CORS) are using the data to perform tasks that are the responsibility of the Defense Contract Audit Agency (DCAA).

DCAA, in accordance with the Defense Federal Acquisition Regulation Supplement (DFARS) 242.803, has the authority and responsibility for audit examination and approval for payment of interim public vouchers. The purpose of these audits is to ensure that the DCAA auditors have sufficient information to enable them to either approve and sign public vouchers, or authorize a contractor to submit vouchers directly to the disbursing office for payment.

CORs should not be assigned the responsibility for certifying cost or performing cost verifications, such as reconciling contractor labor records or material cost invoices to amounts included on public vouchers. A review of the responsibilities assigned to CORs for cost reimbursement contracts should be conducted to ensure they do not duplicate the DCAA responsibilities set forth in DFARS 242.803.

Special billing procedures increase the cost of doing business, and they should be eliminated unless they provide added value. Any requirement for contractors to submit detailed cost information for any purpose should be carefully examined, and requiring submission as part of the billing process shall be discontinued.

This PROCLTR is provided for appropriate action and expires upon distribution to all contracting personnel. Should you have any questions regarding this matter, please direct them to Ms. Diana Maykowskyj, MMPOA, (703) 767-1364 or DSN 427-1364. Ms. Maykowskyj's E-mail address is diana_maykowskyj@hq.dla.mil.

Attachment


ROBERT L. MOLINO
Executive Director
(Procurement)





ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



NOV 14 1997

MEMORANDUM FOR ASSISTANT SECRETARY OF ARMY
(RESEARCH, DEVELOPMENT, AND ACQUISITION)
ASSISTANT SECRETARY OF NAVY
(RESEARCH, DEVELOPMENT, AND ACQUISITION)
ASSISTANT SECRETARY OF AIR FORCE (ACQUISITION)
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Public Vouchers

It has recently come to my attention that many DOD components are requiring contractors to submit detailed cost data for processing interim public vouchers for cost reimbursement contracts. In many cases, this detailed data is not used, or it is used by DoD components or Contracting Officer Representatives (CORs) to perform tasks that are the responsibility of the Defense Contract Audit Agency (DCAA).

In accordance with Defense Federal Acquisition Regulation Supplement (DFARS) 242.803, DCAA has the authority and responsibility for audit examination and approval for payment of interim public vouchers. DCAA auditors perform both incurred contract cost audits and audits of the systems that generate contract costs. These audits provide auditors with information sufficient to enable them to either approve and sign public vouchers, or authorize a contractor to submit vouchers directly to the disbursing office for payment.

I ask you to ensure that your components stop requiring contractors to submit detailed cost information as part of the billing process, and to examine whether such detailed information is actually needed for any purpose. Special billing provisions increase the Department's cost of doing business, and they should be eliminated unless they provide added value.

Additionally, I recommend you undertake a review of the responsibilities assigned to CORs to ensure they do not duplicate the DCAA responsibilities set forth in DFARS 242.803. CORs should not be assigned the responsibility for certifying costs or performing cost verifications, such as reconciling contractor labor cost records or material cost invoices to amounts included on public vouchers.


J. S. Gansler

